



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 2, 2009

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Agreement With County Of Santa Barbara For Sharing Costs For Legal Services In Connection With The Conversion Technology Project

RECOMMENDATION:

That Council approve and authorize the Finance Director to execute an agreement between the City of Santa Barbara and the County of Santa Barbara, in an amount not to exceed \$32,250, to share costs for legal services in connection with the preparation of a request for proposals from qualified vendors for the potential siting of a facility at the Tajiguas Landfill that would convert the municipal solid waste currently being disposed at Tajiguas Landfill into energy or some other beneficial byproduct.

DISCUSSION:

More than two years ago, the City and County of Santa Barbara directed their respective solid waste staff to work jointly on a project to evaluate the feasibility of siting a conversion technology (CT) facility that would convert both jurisdictions' residual solid waste into energy and/or a usable fuel. This would have the primary benefit of diverting material from the County-owned and -operated Tajiguas Landfill, thereby extending its useful life.

With the approval of the City Council and County Board of Supervisors, City and County staff hired a consultant, Alternative Resources, Incorporated (ARI) to assist in the completion of a CT Feasibility Study (Study), developing a list of qualified vendors, and preparing a request for proposals (RFP).

The results of the Study prepared by ARI were presented to the City Council and County Board of Supervisors in May 2008. The Study identified eight vendors that were deemed capable of meeting the minimum project requirements developed by the City and County. The project requirements contain specific goals and evaluation criteria initially developed by the Multi-Jurisdictional Solid Waste Task Group, and later refined and approved by the City Council and County Board of Supervisors.

On December 16, 2008, the City Council authorized staff to move forward with the hiring of outside legal counsel to assist the project team in developing key terms and conditions that will not only be included in the RFP but will be incorporated into the contract with the selected vendor. Although legal staff from participating jurisdictions will play a significant role in this project, outside legal counsel with expertise in solid waste contracts and waste-to-energy facilities are essential to ensure that a strong RFP and final contract are prepared.

The City Council also approved a cost sharing arrangement that spreads the expected legal costs for this phase of the project of \$75,000 among project participants, including the County of Santa Barbara, the City of Santa Barbara, the City of Goleta, the City of Solvang and the City of Buellton. The costs will be allocated in proportion to each jurisdiction's volume of waste disposed at Tajiguas. Since the City's waste stream at Tajiguas represents approximately 43% of the total, the City's share of the legal costs is \$32,250.

To further strengthen the cost-sharing arrangement for legal services approved by Council in December 2008, staff recommends the preparation of a formal agreement between the City and County that, among other things, establishes the method and timing of payment to the County as reimbursement for costs incurred for contracted legal services associated with the Conversion Technology project.

BUDGET/FINANCIAL INFORMATION:

Expected costs associated with the CT project were included in the current year adopted budget. Thus, no additional appropriations are required to cover the City's share of legal costs of \$32,250.

PREPARED BY: Robert Samario, Assistant Finance Director

SUBMITTED BY: Robert Peirson, Finance Director

APPROVED BY: City Administrator's Office